

## Message Text

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

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R 050220Z FEB 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 2557

INFO AMCONSUL MEDAN

AMCONSUL SURABAYA

C O N F I D E N T I A L JAKARTA 1625

E.O. 11652: GDS

TAGS: ENRG, ID

SUBJECT: INDONESIAN-CALTEX NEGOTIATIONS

REFS: (A) JAKARTA 0935, (B) JAKARTA 0420

1. IN RESPONSE TO REQUEST FROM GOI FOR REVISION OF PERBARREL PROFIT TAKE, CALTEX HAS PROPOSED AN ALTERNATIVE PLEDGE OF INCREASED LIFTINGS AND FURTHER EXPLORATION. UNDER PROPOSAL CALTEX WOULD AGREE LIFT 50,000 BARRELS PER DAY ADDITIONAL AND TO LIFT ALL OF PERTAMINA'S EXCESS CAPACITY WHICH CURRENTLY AMOUNTS 90,000 PBD. CALTEX HAS ALREADY EXPANDED DRILLING ACTIVITY WITH ONE NEW RIG IN SUMATRA.

2. CALTEX CLAIMS ADDITIONAL GOI REVENUE AT \$10 PER BARREL TAKE TO GOVERNMENT UNDER PROPOSAL WOULD BE \$1,400,000 PER DAY COMPARED WITH ABOUT \$900,000 PER DAY IF GOVERNMENT RECEIVED ADDITIONAL DOLLAR PER BARREL PROFIT WITHOUT NEW LIFTINGS.

3. ACCORDING ROBERT MARTIN, CALTEX OWNERS' REPRESENTATIVE IN  
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JAKARTA, CALTEX PRESIDENT JULIUE TAHIJA PRESENTED PROPOSAL TO

PRESIDENT SUHARTO FEBRUARY 3, PROPOSING THAT PARENT COMPANY OFFICIALS COME TO JAKARTA TO PRESENT PROPOSALS IN DETAIL TO MINISTER PLANNING WIDJOJO. PRESIDENT SUHARTO HAS AGREED TO THIS PROCEDURE WITHOUT COMMITTING HIMSELF ON PROPOSAL. CALTEX WILL SEEK ARRANGE MEETING WITH WIDJOJO BEFORE FEBRUARY 20 SINCE PRESIDENT WISHES COMPLETE NEGOTIATIONS BEFORE ASEAN SUMMIT.

4. PROPOSAL THAT CALTEX OFFICIALS MEET WITH WIDJOJO IS DEPARTURE FROM NORMAL PRACTICE OF CONDUCTING SUCH DISCUSSIONS WITH DIRECTOR GENERAL OIL AND GAS WIJARSO. WIJARSO HAS ALL ALONG BEEN SYMPATHETIC WITH CALTEX OPPOSITION TO CHANGE IN BASIC AGREEMENT ON PER BARREL SPLIT. INITIATIVE FOR LATTER STARTED WITH WIDJOJO AFTER HE RECEIVED MEMO BY IMF STAFFER ON DISPARITY BETWEEN COMPANY PROFITS IN INDONESIA AND THOSE IN GULF. CALTEX HAS CLAIMED AND WIJARSO HAS AGREED HIGHER PROFITS JUSTIFIED BY GREATER INVESTMENT AND RISK REQUIRED IN INDONESIA. CALTEX HAS THEREFORE CONCLUDED AND PRESIDENT HAS AGREED THAT THEY SHOULD EXPLAIN THEIR CASE DIRECTLY TO WIDJOJO.

5. DEGREE TO WHICH DEPARTMENT MINES HAS BEEN BY-PASSED ILLUSTRATED BY FACT MINISTER MINES SADLI TOLD CONGRESSMAN DIGGS FEBRUARY 2 THAT PRESIDENT HAS TURNED DOWN CALTEX OFFER OF ADDITIONAL LIFTINGS AND WAS INSISTING STILL ON CHANGE IN PER BARREL TAKE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTION, EXPLORATORY DRILLING, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 FEB 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Executive Order:** GS  
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**To:** STATE  
**Type:** TE  
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